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12
 13 **UNITED STATES DISTRICT COURT**
 14 **CENTRAL DISTRICT OF CALIFORNIA**
WESTERN DIVISION

15 **ICU MEDICAL, INC.,**
 16 a Delaware corporation,

17 Plaintiff,

18 v.

19 **ALARIS MEDICAL SYSTEMS, INC.,**
 20 a Delaware corporation,

Defendant.

21 **ALARIS MEDICAL SYSTEMS, INC.,**
 22 a Delaware corporation,

23 Counterclaim plaintiff,

24 v.

25 **ICU MEDICAL, INC.,**
 a Delaware corporation,

26 Counterclaim defendant.
 27
 28

CASE NO. SA CV 04-689 MRP (VBKx)

JOINT STIPULATION FILED IN
 SUPPORT OF AND IN OPPOSITION TO
 DEFENDANT ALARIS MEDICAL
 SYSTEMS, INC.'s MOTION TO COMPEL
 ICU'S RESPONSE TO ALARIS'S
 REQUESTS FOR PRODUCTION NOS. 9,
 10, 11, 23, 27, 38, 39

Date: April 3, 2006
 Time: 10:00 a.m.
 Judge: Hon. Mariana R. Pfaelzer

Discovery Cutoff Date: March 17, 2006
 Pretrial Conference Date: August 28, 2006
 Trial Date: October 3, 2006

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1 **I. INTRODUCTORY STATEMENTS**

2 **A. Defendant ALARIS's Introductory Statement**

3 This patent litigation between Defendant ALARIS Medical Systems, Inc.
4 ("ALARIS") and Plaintiff ICU Medical, Inc. ("ICU") began in a furor in June 2004
5 from ICU's request for temporary injunctive relief. Defendant ALARIS moves the
6 Court pursuant to FED. R. CIV. P. 37 on a deficiency in ICU's discovery responses.¹

7 ICU is the plaintiff, counterclaim defendant and the named patent owner of the
8 patents in suit. ICU originally only asserted U.S. Patent No. 6,682,509 ("the 509
9 Patent"), but now asserts four patents ("the Subject Patents"), against ALARIS's
10 SmartSite® Products.^{2,3} ICU's President, CEO, and Chairman, George A. Lopez, is the
11 named inventor for the Subject Patents. The technology in this case generally relates
12 to medical devices that include needle-free valves for preventing accidental needle-
13 sticks.

14 ALARIS is the defendant and counterclaim plaintiff. ALARIS's initial
15 discovery was served in September 2004. (Ex. 1, Initial Case Schedule).⁴ The Court
16 amended the initial case schedule on November 9, 2006. (Ex. 10, Amd. Schedule.)

17 ALARIS seeks an order compelling ICU to produce all information related to
18 ICU's election to rely on the advice of counsel in the Medex v. ICU litigation. ICU
19 intentionally waived the privilege in Medex as a matter of litigation strategy, and
20 cannot reclaim its waiver.

21
22 ¹ ALARIS continues to investigate other ICU deficiencies and whether any of ICU's
attempts to address the deficiencies are sufficient.

23 ² In addition to the 509 Patent, ICU asserts U.S. Patent No. 5,685,866, U.S. Patent No.
24 5,873,862, and U.S. Patent No. 6,572,592. These patents claim priority back to two
applications filed in 1991 and 1992, and thus, share a common specification (i.e. their
written description and drawings are the same).

25 ³ "SmartSite Products" refers to SmartSite® and SmartSite® Plus Valves or products
26 that incorporate a SmartSite® or SmartSite® Plus Valve.

27 ⁴ Exhibits 1-10 are attached to the Declaration of David D. Headrick ("Headr. Decl.").

1 ICU confirmed that it is withholding information, which was the subject of
2 ICU's waiver in the Medex case, on the grounds of privilege. ICU acknowledged that
3 it has not listed the Medex information on its privilege log. (Ex. 2, 09/01/05 Headrick
4 Ltr. to Platt.)

5 The prior Medex v. ICU litigation involved ICU's CLAVE connector products
6 and Medex's U.S. Pat. No. RE 35,841 ("Medex's 841 Patent"). ICU asserts in this
7 case that its CLAVE connector is an embodiment of one or more claims of the Subject
8 Patents.

9 ICU has already produced one "opinion of counsel" from the Medex litigation.
10 The Medex opinion produced to ALARIS discusses, as expected, the structure and
11 function of the CLAVE connector. Likewise, the withheld information is reasonably
12 likely to discuss the structure and operation of the CLAVE connector products (alleged
13 to be an embodiment of one or more of the Subject Patents) and/or may also discuss
14 and characterize pertinent prior art, including Medex's 841 Patent, and the level of
15 skill in, and the scope of, the prior art. As such, the withheld information may bear on
16 ALARIS's defenses, such as obviousness and ICU's damages claims.

17 With six weeks remaining in fact discovery, an order compelling ICU is needed
18 and appropriate. ALARIS has in good faith conferred or attempted to confer with
19 ICU's attorneys by phone and letter in an effort to secure the requested discovery in a
20 timely fashion without court action. See FED. R. CIV. P. 37(a); Local Rule 37-1.
21 Accordingly, ALARIS requests that this Court order immediate production.

22 B. Plaintiff ICU's Introductory Statement

23 Waivers of privilege in patent cases are narrowly construed. In particular, a
24 waiver of attorney-client privilege with respect to one patent does not waive privilege
25 with respect to another patent, even if the patents are related. What is at issue here are
26 three privileged attorney-client communications that concern an unrelated litigation
27

1 (*Medex v. ICU*) over an unrelated patent (Medex's U.S. Pat. No. RE 35,841) owned by
2 an unrelated third party (Medex). ICU's waiver of privilege in the *Medex* case, which
3 was essentially compelled by precedent that has since been overturned by the Federal
4 Circuit, does not extend to this litigation.

5 ALARIS clouds this essential issue by focusing more on the imagined contents
6 of the privileged communications instead of focusing on whether discovery is
7 forbidden because the documents are privileged. The Court should also note the great
8 disconnect between ALARIS's description of what it seeks to compel and the actual
9 language of the discovery request. ALARIS says that "ALARIS Document Request
10 No. 11 on its face captures the specific information sought." (See footnote 6, below.)
11 The Court can see that this is not the case:

13 What ALARIS seeks to compel	The text of Document Request No. 11
14 all information related to ICU's election to 15 rely on the advice of counsel defense in 16 the prior <u>Medex v. ICU</u> patent lawsuit (the 17 " <u>Medex</u> litigation"). (See p. 7.)	All documents referring or relating to any product, whether commercially available or not, that ICU contends is covered by any claim of the Subject Patent.

18
19 By seeking "all information related to ICU's election to rely on the advice of counsel
20 defense in the prior Medex v. ICU patent lawsuit," ALARIS is overreaching—
21 Document Request No. 11, as overbroad as it is, does not extend so far. And there is
22 no other document request that is now properly before the Court, because ALARIS has
23 failed to include the full text of any other document request, and ICU's response
24 thereto, as required by Local Rule 37-2.1.

25 Furthermore, there is no need to invade ICU's privilege for ALARIS to be able
26 to prepare its case. ALARIS has already received in discovery all the documents
27 needed to satisfy its stated needs. ICU has produced 60 samples of its CLAVE

1 products, along with the assembly drawings—the “blueprints” for the products—and
2 the instructions for use of those products. This is the primary source for information
3 about the “structure and operation of the CLAVE connector products.” Similarly, ICU
4 has produced all of the prior art that it has, and will answer any remaining questions in
5 expert discovery.

6 ALARIS clouds the issues in other ways. For example, ALARIS suggests that
7 because ICU produced one “opinion of counsel” from the *Medex* litigation, there is no
8 reason not to produce any others. In so arguing, ALARIS misleads the Court by
9 failing to make it clear that the produced document was a non-privileged letter from
10 ICU’s trial counsel addressed *to adversarial trial counsel*. The letter explained ICU’s
11 contentions with respect to the Medex patent, much like a response to a contention
12 interrogatory. Unlike the three letters at issue in this motion,⁵ that letter did not
13 contain confidential advice between an attorney and client.

14 In summary, the attorney-client communications at issue here remain privileged
15 for purposes of this litigation. ICU has satisfied its discovery obligations with respect
16 to the structure and operation of its CLAVE products by producing the product
17 blueprints and the instructions for their use. The requested discovery is cumulative
18 and unnecessarily invades the confidential relationship between attorney and client.

19 For these reasons, the Court should deny ALARIS’s motion.
20
21

22 ⁵ For another example of how ALARIS confuses the issues, ALARIS enigmatically
23 refers to the fact that ICU did not initially list the three attorney-client communications
24 on its privilege log, without explaining how this relates to its motion to compel. If
25 ALARIS means to suggest to the Court that ICU did not satisfy Rule 26(b)(5), it
26 should have said so outright. Regardless, ALARIS again fails to tell the whole story.
27 The parties have met and conferred on this issue, and ALARIS agreed that ICU could
28 include these letters in the next supplementation of its privilege log (Ex. 2, 09/01/05
Headrick Ltr. to Platt at 1, 4). ICU has met its obligations under Rule 26(b)(5), and
ALARIS cannot argue otherwise.

1 **II. ALARIS'S CONTENTIONS AND POINTS AND AUTHORITIES**
2 **REGARDING ICU'S REFUSAL TO RESPOND TO ALARIS'S**
3 **LEGITIMATE DISCOVERY REQUESTS**

4 **A. ICU Has The Burden To Justify Its Resistance To The Requested**
5 **Discovery**

6 FED. R. CIV. P. 26(b)(1) provides:

7 Parties may obtain discovery regarding any matter, not privileged, that is
8 relevant to the claim or defense of any party, including the existence,
9 description, nature, custody, condition, and location of any books,
10 documents, or other tangible things and the identity and location of
11 persons having knowledge of any discoverable matter. For good cause,
12 the court may order discovery of any matter relevant to the subject matter
involved in the action. Relevant information need not be admissible at the
trial if the discovery appears reasonably calculated to lead to the
discovery of admissible evidence. All discovery is subject to the
limitations imposed by Rule 26(b)(2)(i), (ii), and (iii).

13 "Toward this end, Rule 26(b) is liberally interpreted to permit wide-ranging discovery
14 of information even though the information may not be admissible at trial." United
15 States ex rel. Schwartz v. TRW, Inc., 211 F.R.D. 388, 392 (C.D. Cal. 2002); see also
16 Ragge v. MCA/Universal Studios, 165 F.R.D. 601, 603-04 (C.D. Cal. 1995). The
17 Advisory Committee Note to Rule 26 explains that a "variety of types of information
18 not directly pertinent to the incident in suit could be relevant to the claims or defenses
19 raised in a given action," such as "other incidents of the same type, or involving the
20 same product . . . [or] information that could be used to impeach a likely witness,
21 although not otherwise relevant to the claims or defenses" FED. R. CIV. P. 26
22 advisory committee's note (2000).

23 ICU is resisting discovery. Thus, ICU "has the burden to show that discovery
24 should not be allowed, and has the burden of clarifying, explaining and supporting its
25 objections." Cable & Computer Tech. v. Lockheed Sanders, Inc., 175 F.R.D. 646, 650
26 (C.D. Cal. 1997).

1 **B. Discovery Requests Relevant To ICU's Deficiencies**

2 ALARIS has identified several ALARIS document requests to which the
3 requested Medex case information is responsive, including Document Request No. 11.⁶
4 Document Request No. 11 and the related response are provided verbatim below.

5 [ALARIS's] REQUEST FOR PRODUCTION NO. 11:

6 All documents referring or relating to any product, whether commercially
7 available or not, that ICU contends is covered by any claim of the Subject Patent.

8 [ICU's] ORIGINAL RESPONSE TO REQUEST FOR PRODUCTION NO.

9 11:

10 In addition to its General Objections, ICU objects to this request to the extent
11 that it seeks information protected by the attorney-client privilege and/or the work-
12 product doctrine, or any other lawfully recognized privilege or immunity.

13 ICU objects to producing confidential documents called for by this Request to
14 the extent that it seeks information that is confidential to ICU or to third parties.

15 ICU objects to the request as seeking information that is not relevant to the
16 claim or defense of any party.

17 ICU objects to the extent this request calls for a legal conclusion as the request
18 requires ICU to draw a legal conclusion as to what products are "covered by any
19 claim" of the '509 patent.
20

21
22 ⁶ In addition to Document Request 11, ALARIS has identified other ALARIS
23 document requests to which the withheld information from the Medex case is also
24 responsive, namely, ALARIS Doc. Req. Nos. 9, 10, 23, 27, 38, and 39. (Ex. 3, ICU's
25 Second Supplemental Responses to ALARIS's Requests For Production Nos. 1-46.)
26 Because ALARIS Document Request No. 11 on its face captures the specific
27 information sought, ALARIS has not provided the other document requests verbatim
28 in this paper in an attempt to reduce the volume of this brief and in turn, the burden on
the Court. These other document requests are attached as Exhibit 3 to this Joint
Stipulation.

1 Further, ICU objects to this request as unduly burdensome to the extent it is
2 duplicative of ALARIS' Request for Production No. 10.

3 Subject to and without waiving its specific and general objections, ICU responds
4 as follows: ICU will produce relevant, responsive, non-privileged documents in its
5 possession, custody or control.

6 [ICU's] SUPPLEMENTAL RESPONSE TO REQUEST FOR PRODUCTION
7 NO. 11:

8 Subject to the General and Specific objections set forth in its original response
9 and incorporated herein, reserving its right to supplement further, ICU supplements its
10 response as follows:

11 ICU objects to the extent this request calls for a legal conclusion as the request
12 requires ICU to draw a legal conclusion as to what products are "covered by any
13 claim" of U.S. Patent Nos. 5,685,866, 5,873,862, 6,572,592, and 6,682,509.

14 Subject to and without waiving its specific and general objections, ICU responds
15 as follows: ICU will produce relevant, responsive, non-privileged documents in its
16 possession, custody or control.

17 ***[END OF RESPONSE TO REQUEST FOR PRODUCTION NO. 11]***

18 **C. ICU Should Be Compelled To Produce All Information Related To**
19 **ICU's Election To Rely On The Advice Of Counsel In The Medex v.**
20 **ICU Litigation**

21 ALARIS seeks all information related to ICU's election to rely on the advice of
22 counsel defense in the prior Medex v. ICU patent lawsuit (the "Medex litigation").
23 (See, e.g., Ex. 3, ALARIS Request for Production No. 11.) In the Medex litigation,
24 ICU elected to rely on advice of counsel in defense of Medex's claim that ICU's
25
26
27

1 CLAVE connector products infringed U.S. Pat. No. RE 35,841 ("the Medex 841
2 Patent").⁷

3 ICU waived the privilege and work product immunity in the Medex litigation.
4 ICU confirmed that it is withholding information in this case (despite having waived
5 that privilege and producing these documents in the Medex case) that was the subject
6 of ICU's waiver in the Medex case on the grounds of privilege. (Ex. 2, 09/01/05
7 Headrick Ltr. to Platt.) ICU acknowledged that it has not logged (or appropriately
8 supplemented) the withheld information on its privilege log in this case.

9 ALARIS proposed to have ICU immediately produce the requested information.
10 ALARIS offered to resolve the dispute with regard to any confidentiality concerns of
11 ICU by allowing such information, as appropriate, to be designated under the
12 protective order. ICU refused ALARIS's offers and did not offer any other way to
13 resolve the dispute.

14 **1. The Advice Of Counsel Information From The Medex v.**
15 **ICU Litigation Is Discoverable**

16 In the Medex litigation, ICU's CLAVE connector product was at issue – it was
17 accused of infringing the Medex 841 Patent. The information relied on by ICU in the
18 Medex litigation describes the structure and operation of CLAVE connectors. ICU has
19 already produced one opinion of counsel from the Medex case authored by Steven
20 Nataupsky, who is also one of the attorneys involved in the prosecution of the Subject
21 Patents. (Ex. 6, 07/08/99 Nataupsky Ltr. to Grossman.) The Nataupsky opinion
22 confirms that the withheld information will likely discuss the operation of the CLAVE
23

24 ⁷ ICU produced to Medex a written opinion of counsel and identified other documents
25 as part of its waiver. (Ex. 4, 08/06/01 Platt Ltr. to Grossman (enclosing opinions); Ex.
26 5, ICU's Third Supp. Resp. to Medex's First Set of Interrog. (No. 5) (citing ICU-OH
27 37271-37309, ICU-OH 37310-312, ICU-OH 37313-37313-316, ICU-OH 40381-
40384, and ICU-OH 37318-37320).)

1 connector and terms (like “spike” and “seal”) that are used in asserted claims of the
2 Subject Patents in this case. (Id. at 3.)

3 ICU’s attempt to focus attention on the Subject Patents in this case and the
4 patent asserted in the Medex litigation tells only part of the story. ICU seeks damages
5 in this case based on CLAVE connector product sales and likely will argue the
6 CLAVE connector’s commercial success. In fact, ICU claims in this case that “its
7 CLAVE connector and all products that incorporate a CLAVE connector and methods
8 of use” are embodiments of the alleged inventions claimed in the Subject Patents. (Ex.
9 7, ICU’s Supplemental Preliminary Infringement Contentions at 5-6, emphasis added.)
10 It is ICU’s burden in this case to show that its CLAVE connector products are
11 embodiments of each claim asserted. Thus, the structure and operation of the CLAVE
12 connector is relevant.

13 In addition, the withheld information may also discuss and/or characterize prior
14 art to the Subject Patents and the level of skill in the pertinent art.⁸ For example, the
15 Medex 841 Patent is a reissue of U.S. Patent No. 5,203,775 (“The ‘775 Patent”). The
16 ‘775 Patent is cited prior art to one or more of the Subject Patents. Such information
17 bears on at least ALARIS’s invalidity defenses and ICU’s damages claim. Cf. Demaco
18 Corp. v. F. Von Langsdorff Licensing, Ltd., 851 F.2d 1387, 1392 (Fed. Cir. 1988)
19 (explaining that a *prima facie* showing of nonobviousness can generally be made when
20 the patentee “shows both that there is commercial success, and that the thing (product
21 or method) that is commercially successful is the invention disclosed and claimed in
22 the patent.”)

23 In any event, ALARIS should be afforded the opportunity to examine the
24 withheld information from the Medex case for credibility and bias in connection with

25 ⁸ ICU refused to tell ALARIS if the opinions were based on invalidity, non-
26 infringement, unenforceability, or some combination of these grounds. (Ex. 2,
27 09/01/05 Headrick Ltr. to Platt.)

1 ICU's assertions in this case regarding the CLAVE connector and prior art. For
2 example, ALARIS should be permitted to explore whether ICU has taken an
3 inconsistent position(s) (whether in connection with an infringement, invalidity or
4 unenforceability opinion) in defending its product against infringement claims in the
5 Medex case and in asserting in this case that its CLAVE connector is an embodiment
6 of the Subject Patents. FED. R. CIV. P. 26 permits the discovery of information that
7 "may simply relate to the credibility of a witness or other evidence in the case." See
8 United States v. City of Torrance, 164 F.R.D. 493, 495 (C.D. Cal. 1995) (citation
9 omitted); see also FED R. CIV. P. 26 advisory committee's note (2000) (see § II.A.
10 supra.)

11 That ICU may have provided other information that claims are relevant to these
12 issues, does not take away from the relevance of the information sought. This
13 information is discoverable.

14 2. ICU Cannot Un-Ring The Waiver Bell

15 ICU resists discovery contending that ICU's waiver was "limited" to the Medex
16 litigation. (Ex. 7, 07/06/05 Platt Ltr. to Headrick; Ex. 8, 07/11/05 Platt Ltr. to
17 Headrick.) The issue here is whether ICU can reclaim in this case the privilege it
18 waived in the Medex litigation. ICU did not offer any authority during the meet and
19 confer process holding that it can reclaim the attorney-client privilege and work
20 product immunity waived in the Medex litigation.

21 ICU has made no particularized showing that the information is privileged or
22 that it can reclaim the privilege in this case. See Weil v. Inv. / Indicators, Research &
23 Mgmt., Inc., 647 F.2d 18, 25 (9th Cir. 1981) (confirming that the "burden of proving
24 that the attorney-client privilege applies rests not with the party contesting the
25 privilege, but with the party asserting it.") (citations omitted). One of ICU's counsel of
26 record in this case was the attorney who informed Medex that ICU waived the
27

1 privilege. (Ex. 4, 08/06/01 Platt Ltr. to Grossman (Medex's counsel) (enclosing
2 opinions).) ICU does not dispute that its waiver in connection with ICU's election to
3 rely on the advice of counsel was deliberate, and calculated to give ICU an advantage
4 in its defense to Medex's willfulness charge.

5 In Genentech, Inc. v. U.S. ITC, 122 F.3d 1409 (Fed. Cir. 1997), the Federal
6 Circuit explained that "[o]nce the attorney-client privilege has been waived, the
7 privilege is generally lost for all purposes and in all forums." Id. at 1416 (citations
8 omitted, emphasis added).⁹ Indeed, as this Court has noted, initially maintaining
9 attorney-client privilege is particularly valuable. If the privilege was waived in prior
10 litigation, it cannot be asserted regarding the same documents in subsequent litigation.
11 See U.S. ex rel. Bagley v. TRW, Inc., 204 F.R.D. 170, 184 (C.D. Cal. 2001) (involving
12 inadvertent disclosure).

13 ICU has cited a case from the Eastern District of Pennsylvania, Katz v. AT&T
14 Corp., 191 F.R.D. 433, 440 (E.D. Pa. 2000), to justify its withholding of the Medex
15 information.¹⁰ Yet, Katz supports ALARIS's position. In Katz, the court did not find
16 that the attorney-client privilege and work product immunity could be reclaimed in a
17 later litigation. See Katz, 191 F.R.D. at 439-40 (requiring production in the later

18
19 ⁹ The Court in Genentech affirmed a finding that a waiver of privilege was not limited
20 to the specific district court proceeding in which it occurred and that discovery should
21 be permitted in a later International Trade Commission proceeding. 122 F.3d 1409,
22 1416-17 (Fed. Cir. 1997) (affirming general waiver where Genentech inadvertently
23 disclosed privileged documents in a district court litigation; reversing the sanction of
24 case dismissal for failure to produce documents that were subject to the waiver).

25 ¹⁰ The other cases cited to ALARIS by ICU, namely Kloster Speedsteel AB v.
26 Crucible, Inc., 793 F.2d 1565 (Fed. Cir. 1986), Fromson v. Western Litho Plate and
27 Supply Co., 853 F.2d 1568 (Fed. Cir. 1988), and Knorr-Bremse Systeme Fuer
28 Nutzfahrzeuge GmbH v. Dana Corp., 383 F.3d 1337, 1344 (Fed. Cir. 2004) (*en banc*),
merely confirm that the state of the law at the time of the Medex case was that ICU
apparently had to decide to whether to waive the privilege in defending against
Medex's willful infringement charge. ICU voluntarily waived the privilege (see note 7
above). Unlike Genentech, these cases do not address the effect of a voluntary waiver
in an earlier patent litigation on a later patent litigation involving the same products
and/or patents. Thus, these cases are not on point.

1 litigation on ten topics encompassed by the subject matter waived in the prior
2 litigation).

3 **3. ICU Cannot Demonstrate Any Immunity To Outweigh The**
4 **Relevance Of The Requested Information**

5 ICU's argument that production would be burdensome fails because:

- 6 • ICU has not provided specific facts to meet its burden that discovery not be
7 had because of confidentiality or privilege;
8 • as shown above, the information sought is not subject to any privilege or
9 immunity, and constitutes discoverable information; and
10 • any concerns regarding a "confidential" nature of the documents can be
11 addressed under the stipulated protective order entered in this case.¹¹

12 ICU has already produced one "opinion of counsel" from the Medex litigation under
13 the protective order entered in this case. There is no reason ICU should not do the
14 same for the withheld information from the Medex litigation (under an appropriate
15 confidentiality designation).

16 To the extent that ICU seeks to preclude the use of such information at trial,
17 such an objection does not justify withholding production now. In sum, ALARIS
18 seeks discoverable information. ALARIS requests ICU's immediate and complete
19 response.
20
21
22
23
24

25 ¹¹ An umbrella protective order has been entered in this case. (Ex. 9, Stipulated
26 Protective Order.) It has two tiers of confidentiality (Confidential and Attorneys Eyes
27 Only).

1 **III. ICU'S CONTENTIONS AND POINTS AND AUTHORITIES**
2 **REGARDING ALARIS'S ATTEMPT TO COMPEL THE PRODUCTION**
3 **OF PRIVILEGED COMMUNICATIONS**

4 At issue here are three letters that J. Mark Holland, ICU outside counsel, wrote
5 to Francis O'Brien, ICU's Chief Financial Officer. These attorney-client
6 communications concern an unrelated litigation (*Medex v. ICU*) about an unrelated
7 patent (Medex's U.S. Pat. No. RE 35,841) owned by an unrelated third party (Medex).
8 Because Medex alleged that ICU willfully infringed its '841 Patent, ICU was forced
9 (by legal precedent that has since been overruled) to waive its privilege protecting its
10 opinions regarding *that patent* in order to rebut Medex's allegations. Because ICU's
11 privilege waiver concerned only Medex's U.S. Patent No. RE35,841, the Court should
12 not extend ICU's waiver to this lawsuit. ALARIS's motion to compel production of
13 the attorney-client communications should be denied.

14
15 **A. ICU's Privileges Remain Intact In This Litigation Because ICU's**
16 **Previous Waiver Is Limited To The Medex Patent.**

17 The scope of the waiver is narrowly construed in patent cases, and the disclosure
18 of an opinion of counsel in a patent litigation does *not* serve as a wholesale waiver of
19 the attorney-client privilege. *Katz v. AT&T Corp.*, 191 F.R.D. 433, 440 (E.D. Pa.
20 2000). In *Katz*, the parties disputed the scope of a privilege waiver in terms of the
21 subject matter of the disclosure. *Id.* at 439. In a prior litigation involving Mr. Katz's
22 six patents and one patent application, some privileged documents establishing dates of
23 conception were produced. In a later litigation, the same six patents were asserted
24 against AT&T, along with other patents, totaling over 400 asserted patent claims
25 combined. *Id.* at 435. The court held that the waiver in the earlier litigation would
26 extend to the later litigation, because the subject matter involved the same six patents.

1 *Id.* at 440. However, the court also held that the scope of the waiver was “correctly
2 limited” to *only* the six patents at issue in the prior litigation, and not to any of the
3 other patents at issue. *Id.*

4 Thus, although ICU did waive its privilege in the *Medex* litigation with respect
5 to opinions regarding Medex’s ‘841 patent—and was essentially forced to do so in
6 order to rebut a charge of willful infringement of Medex’s patent—ICU’s waiver is
7 limited to Medex’s ‘841 patent. Because Medex’s patent is not at issue in this case,
8 ICU’s previous waiver does not extend to this litigation.

9 Moreover, the “privilege is waived only if facts relevant to a particular, narrow
10 subject matter have been disclosed in circumstances in which it would be unfair to
11 deny another party an opportunity to discover other relevant facts with respect to that
12 subject matter.” *Applied Telematics, Inc. v. Sprint Corp.*, No. 94 CV 4603, 1995 WL
13 567436, at *3 (E.D. Pa. Sept. 21, 1995) (attached as Exhibit A to the Declaration Of
14 Marc David Peters In Opposition To Defendant ALARIS’s Motion To Compel ICU’s
15 Response To ALARIS’s Requests For Production Nos. 9, 10, 11, 23, 27, 38, 39
16 (“Peters Decl.”)). There is no unfairness in the Court denying ALARIS’s motion.
17 ALARIS has not and will not be denied an opportunity to discover facts regarding
18 ICU’s CLAVE products, the prior art, or any of the other subjects it mentions. On the
19 contrary, for all of these subjects, ICU has produced extensive documentation,
20 answered interrogatories, and is producing witnesses to testify.

21 Indeed, ICU’s opinions of counsel and associated information relate only to
22 Medex’s ‘841 patent and not to any of the ICU patents asserted in this case. So it is
23 not unfair to deny ALARIS discovery of ICU’s opinions of counsel concerning the
24 ‘841 patent.

25 There is no support in the law for ALARIS’s suggestion that ICU’s privileges
26 are diminished by the fact that Medex’s ‘841 patent is a reissue of Medex’s ‘775
27 patent, which was cited as prior art to ICU’s patents. This argument is directly

1 contrary to the holding in *Katz*, which required the *same* patent to be at issue in both
2 litigations in order for the waiver of privilege to continue to apply. Indeed, the mere
3 indirect relatedness of the '841 and '775 patents is insufficient to justify the extension
4 of the waiver. A waiver of attorney-client privilege with respect to one patent does not
5 waive privilege with respect to another patent, even if the patents are related.
6 *Heidelberg Harris, Inc. v. Mitsubishi Heavy Indus., Ltd.*, No. 95 C 0673, 1996 WL
7 514993, at *1-2 (N.D. Ill. Sep. 6, 1996) ("Mitsubishi's waiver of the privilege as to
8 some patents will be construed narrowly so that it does not thereby waive its privileges
9 as to other patents.") (attached as Exhibit B to the Peters Decl.)

10 Because *Genentech* does not hold to the contrary, ALARIS's reliance on it is
11 misplaced. *Genentech, Inc. v. Int'l Trade Comm'n*, 122 F.3d 1409, 1413 (Fed. Cir.
12 1997). *Genentech* involved a patent owner that brought an action before the
13 International Trade Commission based on infringement of four of its patents, and also
14 sued different defendants in the Southern District of Indiana for infringement of
15 fourteen patents, four of which were the same four patents at issue in the ITC
16 investigation. *Id.* at 1411-13 (Fed. Cir. 1997). The district court had found that the
17 patent owner had waived privilege with respect to certain documents, and the ITC
18 defendants sought to extend that waiver to the ITC proceeding. *Id.* at 1413. Because
19 the same patents were at issue in the two litigations, *id.*, the waiver of the privilege in
20 one action was—not surprisingly—held to be a waiver in the other. *Id.* at 1418. But
21 that is manifestly not the situation here. The opinions ALARIS now seeks do not
22 relate to the patents-in-suit or any other ICU patent. Instead, these opinions relate to
23 Medex's allegation that ICU infringed Medex's '841 patent. The communications at
24 issue are not relevant to the present litigation in which ICU is asserting completely
25 different patents against ALARIS.

1 B. ICU's Waiver In the *Medex* Litigation Was Forced, Not Voluntary.

2 Because ICU's waiver in the *Medex* litigation was essentially compelled, not
3 voluntary, the Court should not extend the waiver to this litigation. In determining
4 whether ICU's attorney-client communications remain privileged in this case, the
5 Court should understand and take into account the circumstances under which the
6 opinions were produced in the *Medex* litigation. *Katz*, 191 F.R.D. at 440 ("A
7 determination as to the scope of the waiver must be made under all the circumstances,
8 including the context in which the disclosure is made . . ."). In the *Medex* litigation,
9 *Medex* asserted that ICU willfully infringed its '841 Patent, entitling it to treble
10 damages and attorneys' fees under 35 U.S.C. §§ 284 and 285.

11 At the time the *Medex* litigation was pending, *Kloster Speedsteel AB v. Crucible*,
12 *Inc.*, 793 F.2d 1565 (Fed. Cir. 1986), and *Fromson v. Western Litho Plate and Supply*
13 *Co.*, 853 F.2d 1568 (Fed. Cir. 1988), were controlling precedent regarding how a
14 defendant could rebut a charge of willful infringement. These cases held that the
15 failure of a party to produce an opinion of counsel triggered an adverse inference either
16 that no opinion was obtained or, if an opinion were obtained but privilege was not
17 waived, that it was contrary to the accused infringer's position of noninfringement.
18 This law essentially forced defendants to waive any privilege and produce their
19 opinions of counsel.¹² If ICU had asserted the attorney-client privilege in the *Medex*
20 case and refused to produce the opinions of counsel, it would have been subject to the
21

22
23 ¹² ALARIS characterization of ICU's waiver of privilege as "voluntary" has no support
24 in the law, particularly in light of *Kloster* and *Fromson*. *Terra Novo*, 2004 WL
25 2254559, at *3. Withholding the opinion of counsel would have resulted in an
26 instruction that the jury could presume that ICU's attorneys concluded that ICU
27 infringed *Medex*'s patent—completely eviscerating ICU's ability to defend against
28 *Medex*'s charge of willful infringement. Like every other patent defendant before
Knorr-Bremse was decided, ICU had no choice but to reveal the advice it had received
from its counsel. *Id.*

1 adverse inference that increased the risk of being held liable for treble damages and
2 attorneys' fees.

3 Courts have recognized that "the negative inference rendered the waiver of
4 attorney-client privilege less than voluntary." *Terra Novo, Inc. v. Golden Gate Prods.,*
5 Inc., No. C-03-2684 MMC EDL, 2004 WL 2254559, at *2 (N.D. Cal. Oct. 1, 2004)
6 (attached as Exhibit C to the Peters Decl.). For this reason, the Federal Circuit, sitting
7 en banc, overruled the adverse inference, recognizing that it "can distort the attorney-
8 client relationship, in derogation of the foundations of that relationship." *Knorr-*
9 *Bremse Systeme Fuer Nutzfahrzeuge GmbH v. Dana Corp.*, 383 F.3d 1337, 1344 (Fed.
10 Cir. 2004) (*en banc*). The Federal Circuit reasoned: "There should be no risk of
11 liability in disclosures to and from counsel in patent matters; such risk can intrude
12 upon full communication and ultimately the public interest in encouraging open and
13 confident relationships between client and attorney." *Id.* And even before the Federal
14 Circuit's *Knorr-Bremse* decision, district courts had recognized that in situations where
15 the disclosure of advice of counsel is to defend a claim of willful infringement, the
16 waiver of privilege is not absolute, but rather must be limited. *Katz*, 191 F.R.D. at 441.

17 Because of the precedent in force during the *Medex* litigation, ICU was
18 effectively forced to produce the opinions of counsel in order to defend Medex's
19 claims of willful infringement or face treble damages. *Terra Novo*, 2004 WL
20 2254559, at *2 (recognizing that "waiver should be construed narrowly" because
21 "obtaining an opinion of counsel to defend against willfulness was close to compulsory
22 in the pre-*Knorr* timeframe."). The Federal Circuit has since determined that such
23 disclosure was against the public interest. *Knorr-Bremse*, 383 F.3d at 1344. This is an
24 additional reason that ICU's waiver of the attorney-client and work product privileges
25 with respect to its opinions of counsel should be limited to the *Medex* litigation and not
26 extended to this case.

1 **C. The Court Should Deny The Motion Because The Discovery Sought**
2 **Is Cumulative And Duplicative**

3 Under Rule 26, the Court can limit the scope of discovery if it determines that
4 “the discovery sought is unreasonably cumulative or duplicative” or that “the burden
5 or expense of the proposed discovery outweighs its likely benefit, taking into account
6 the needs of the case, the amount in controversy, the parties’ resources, the importance
7 of the issues at stake in the litigation, and the importance of the proposed discovery in
8 resolving the issues.” FED. R. CIV. P. 26(b)(2); *see also Richlin v. Sigma Design West,*
9 *Ltd.*, 88 F.R.D. 634 (E.D. Cal. 1980) (denying a motion to compel responses to
10 interrogatories because the information sought was duplicative of that already
11 discovered). Here, the Court should limit discovery and not compel production of
12 information relating to ICU’s reliance on the advice of counsel in the *Medex v. ICU*
13 litigation, because ICU has produced more than ample discovery on each of the issues
14 raised by ALARIS. Requiring ICU to produce its opinions of counsel is unreasonably
15 cumulative or duplicative, and the opinions, being from a different case and about a
16 different patent, are not important to *this* case.

17 **1. ICU Has Already Produced Sufficient Information Covering**
18 **The Subjects On Which ALARIS Seeks Discovery.**

19 ALARIS unnecessarily spends more of its argument listing the subjects that it
20 imagines ICU’s attorney-client communications might relate to, instead of addressing
21 the issue of privilege head-on. But even here, ALARIS’s argument fails.

22 To the extent ALARIS needs discovery on the structure and operation of ICU’s
23 CLAVE products, ALARIS has already received it. ICU produced 60 physical
24 samples of its CLAVE connector products, both assembled and unassembled. *See*
25 Peters Decl., ¶ 2. From these, ALARIS can readily determine the structure and
26 components of the products, and see for itself how they work. ICU has also produced
27 hundreds of assembly drawings. *Id.* at ¶ 3. These drawings show the structure of the

1 CLAVE connectors; they are essentially the blueprints of the connectors. Furthermore,
2 ICU has produced the "Directions For Use" for its CLAVE connector products, *id.* at
3 ¶ 4, which explain how ICU's connectors are to be used by health professionals to treat
4 patients. Everything that ALARIS might need to determine whether ICU's products
5 are or are not embodiments of ICU's patent claims are already in ALARIS's
6 possession. ALARIS has not shown that it *also* needs ICU's confidential legal
7 analysis of *Medex's* patent to make that determination.

8 With respect to information relating to prior art, invalidity, and level of skill in
9 the art, ALARIS's motion to compel does not properly reach these issues. ALARIS
10 has limited its motion to Document Request No. 11. See footnote 6 above and Local
11 Rule 37-2.1. That request seeks "[a]ll documents referring or relating to any product,
12 whether commercially available or not, that ICU contends is covered by any claim of
13 the Subject Patent." ALARIS's Request No. 11 is not reasonably directed to issues of
14 prior art, invalidity, and level of skill in the art. And even if it were, ICU has produced
15 all of the prior art that it has, and will answer any remaining questions in fact
16 depositions and expert discovery. So ALARIS's other document requests have been
17 satisfied as well.

18 In summary, ICU's opinions of counsel regarding the Medex patent and
19 documents related thereto are superfluous in light of what has already been produced.
20 Where, as here, attorney-client communications are at issue, and the requested
21 discovery may be had through alternative means, the Court should exercise its power
22 under Rule 26(b)(2) to limit the scope of discovery and protect ICU's attorney-client
23 communications.

24 **2. The Requested Documents Are Not Related To Any**
25 **Witness's Credibility Or Bias**

26 An alleged need to assess witness credibility or bias is never enough to pierce
27 the attorney-client privilege. Even if it were, the Court should not credit ALARIS's

1 argument regarding witness credibility and bias. The privileged communications at
2 issue here were authored by J. Mark Holland, ICU's outside counsel. Mr. Holland is
3 not an ICU employee, he is not counsel of record in this litigation, and he is not
4 expected to be called as a witness in this litigation. See Peters Decl., ¶ 5. Mr.
5 Holland's credibility or bias is in no way relevant to any of ALARIS's claims or
6 defenses in this litigation. As a result, Mr. Holland's letters are not discoverable. FED.
7 R. Civ. P. 26(b)(1) ("Parties may obtain discovery regarding any matter, not
8 privileged, that is *relevant* to the claim or defense of any party . . .") (emphasis
9 added). ICU respectfully requests that the Court deny ALARIS's motion.

10 11 IV. CONCLUSION

12 A. ALARIS'S CONCLUSION

13 Accordingly, for the reasons stated above, ALARIS requests that this Court
14 order immediate production. A Proposed Order is submitted concurrently.

15 B. ICU'S CONCLUSION

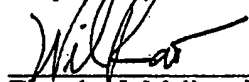
16 The attorney-client communications that ALARIS moves to compel relate to a
17 patent that is not at issue in this litigation and is owned by a third party. ICU's waiver
18 of the privilege protecting those communications in another, unrelated litigation must
19 be narrowly construed to not extend to this litigation. Moreover, because the
20 information that ALARIS seeks to glean from those letters has been made available
21 from other sources, the requested discovery is cumulative and the burden to ICU of
22 having to produce its attorney-client confidences outweighs ALARIS's imagined
23 benefits. For these reasons, the Court should deny ALARIS's motion.
24

1 Dated: March 7, 2006

Dated: March 7, 2006

2
3 Respectfully Submitted,

Respectfully Submitted,

4 



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[illegible]

On MARCH 7, 2006, I served the following document(s) described as: **JOINT STIPULATION FILED IN SUPPORT OF AND IN OPPOSITION TO DEFENDANT ALARIS MEDICAL SYSTEMS, INC.'S MOTION TO COMPEL ICU'S RESPONSE TO ALARIS' REQUEST FOR PRODUCTION NOS. 9, 10, 11, 23, 27, 38, 39**

☐ **BY PERSONAL SERVICE** as follows: I caused such envelope(s) to be delivered by hand to the addressee(s) at the address set forth below by First Legal Support Messenger Service.

☒ **BY FEDERAL EXPRESS** as follows: I placed the document(s) listed above with fees thereon fully prepaid for deposit with Federal Express (next business day delivery), this same day following ordinary business practices to the address(es) set forth below.

☒ **BY FACSIMILE TRANSMISSION** as follows: I caused the above-referenced document(s) to be transmitted by facsimile to its intended recipient(s) at the following facsimile number(s) before 5:00 p.m.

I declare under penalty of perjury that the foregoing is true and correct and that this declaration was executed on **MARCH 7, 2006**, at Los Angeles, California.

☒ **FEDERAL:** I declare that I am employed in the office of a member of the bar of this court at whose direction service was made.

PLEASE SEE ATTACHED SERVICE LIST


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